



# CITY OF NEWPORT BEACH

## OFFICE OF THE MAYOR

### **Mayor**

Keith D. Curry

### **Mayor Pro Tem**

Michael F. Henn

### **Council Members**

Leslie J. Daigle

Nancy Gardner

Steven Rosansky

Edward D. Selich

Don Webb

## **Mayor's Mid-Year Update**

### **Keith D. Curry Mayor**

**June, 2010**

As we reach the halfway mark for 2010, I thought it would be a good time to stop and report to the residents of our City on our progress to make Newport Beach an even better place to live. At the beginning of the year, I promised that Newport would end the year with a leaner, more efficient, more effective and better managed City government. We began with the adoption of a 15-point Fiscal Sustainability Plan. The City Council has followed the plan and it is producing results. After projecting a possible \$8 million deficit, we end fiscal year 2009-10 with a balanced budget without using operating reserves. For 2010-11, our new budget is lower than 2009-10 by \$16.5 million, including an \$8.7 million reduction in the operating budget. The new budget is also projected to be balanced without the need to use operating reserves. We still have work to do, but between December and June, we reduced the City workforce by the equivalent of almost 37 full-time positions, with more to come using retirements where we can.

Budget reductions were accomplished through workforce reductions, contracting out street sweeping and meter reading, energy efficiency improvements, service reorganizations and improved contract administration. We were also able to take advantage of a better bidding climate for some of our one-time capital improvements, bringing those costs down below projections, often by 20-25% per project.

Working in partnership with our fire, lifeguard and police associations, we have negotiated for our public safety employees to pick up \$900,000 in annual pension expenses, up from zero just last year. Our other employees already contribute to their pension programs. We have also negotiated for newly hired fire, lifeguard and police employees to pick up an even higher percentage of pension costs. This is a critically important first step in controlling our long-term pension expenses.

Our city employees have or will work without raises for periods ranging from 12 to 42 months depending on the bargaining unit.

Because of these sacrifices, we have been able to avoid reductions in police and fire protection, library hours and core park and recreational services.



We have harnessed the knowledge and experience of our residents to improve city services. A citizen's commission led by Marian Bergeson has made several recommendations to update our City Charter to reduce costs and make the City more efficient and a Citizens Technology Task Force, led by Balboa Island's Ted Cooper, is formulating recommendations on how we can use technology more effectively.

We are also working to expand our local tax base and economy. The new Nordstrom, Tesla dealership and expansion of Fashion Island help grow our tax base. Our visitor's bureau has attracted the BCS game media headquarters, Barrett Jackson Auction and other major events that produce millions in tax dollars from out-of-town visitors to our City. Property values are rebounding in Newport Beach and we are working to enhance homeowner and business value in all of our neighborhoods.

We have taken steps to provide additional parking in Balboa Village and to abate the visual blight at Pacific Coast Highway and Dover.

Later this year, we will open the all-new OASIS senior center. Slated to be completed at substantial savings to the original estimates, it will be a state-of-the-art center for the next three generations of Newport Beach seniors.

We are well underway with the voter-directed Civic Center project, which will include a significant expansion of our library, major parking facilities and a new city hall. It will also include what will be the City's fourth largest park, where we have structured a partnership with the Orange County Museum of Art to provide a world class public sculpture park, supported by grants and private contributions. Continuing low construction costs make now an advantageous time to undertake this project.

Our investments in traffic signal synchronization will expand to the Peninsula and Westcliff. We will finish upper bay dredging and start on lower bay projects. The City has commissioned a study of the air quality impacts of John Wayne Airport on our community and we are working with our partners at the county and in surrounding cities to craft a unified approach to the extension of our JWA Settlement Agreement.

We are also focused on customer service. In February, at my suggestion, the City Manager announced a policy of returning phone calls and e-mails within 24 hours. In the next few days, we will conduct our second Citizen Satisfaction Survey to measure progress on resident satisfaction indicators. Soon, we will address specific customer service initiatives in our development services departments to improve the experience of our residents.

The concentration of group home beds has been reduced by 46% since the passage of our groundbreaking ordinance and we are taking steps to reduce the impacts of the Fourth of July on the Peninsula.

Finally, we are committed to listening to our citizens. I am personally making the rounds once a month to a different neighborhood to allow residents the opportunity to "Meet the Mayor," one-on-one, to discuss issues and concerns.

There is no question that this is a tough economy and a tough year. But working together, we will harness the energy and talents of our residents to keep Newport Beach a financially secure and wonderful place to call home.